

**STATE CONTROLLER'S OFFICE
PERSONNEL/PAYROLL REVIEW COMMITTEE NOTES
June 2003**

DATE: July 9, 2003

TO: All Civil Service/Exempt Departments

FROM: State Controller's Office
Don Ward, Manager
Personnel/Payroll Operations
(916) 322-8805

RE: PERSONNEL/PAYROLL REVIEW COMMITTEE NOTES

This recaps the June 12, 2003 Personnel/Payroll Review Committee (PPRC) meeting and provides information for the July 10, 2003 meeting.

We would like to thank those department representatives that participated in the June meeting for their time and effort. There were 52 representatives from 35 departments that participated in this meeting.

Personnel/Payroll Review Committee
June 12, 2003 Meeting Notes

The meeting was called to order at 1:30 by Pam Keegan.

Departments represented:

Aging, Air Resources Board, Alcohol and Drug Programs, Board of Equalization, CA Highway Patrol, CA Integrated Waste Management, CalPERS, CA Student Aid Commission, Community Services and Development, Consumer Affairs, Corrections, Developmental Services, EDD, Energy Commission, Financial Institutions, Food and Agriculture, Forestry and Fire Protection, Franchise Tax Board, General Services, Health And Human Services Data Center, Legislative Counsel Bureau, Lottery, Mental Health, Motor Vehicles, Parks and Recreation, Rehabilitation, State Controller's Office, State Personnel Board, Toxic Substances Control, Transportation, Treasurer's Office, Veteran's Affairs, Water Resources, Water Resources Control Board, Youth Authority.

Old Business:

None

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New Business:

Agenda Items
Distribute Handout Materials
Approve Prior Meeting Notes
Guest Speakers
SCO Update
Department Issues/Concerns
Confirm Next Meeting Agenda, Time and Place

Discussion:

Approved May 2003 meeting notes.

Guest Speaker(s):

Cheryl Salvador, CalPERS Actuarial & Employer Service Division provided the following information. A new Employer Contact Center is being established effective July 20, 2003. The new phone number is (888) CalPERS or (888) 225-7377. This number will not be effective until July 20th. Prior to July 20th, this number is valid for ACES help only. PLEASE DO NOT GIVE THIS NUMBER TO YOUR EMPLOYEES UNTIL THAT DATE. This new number will then become the number for everyone.

Updates to the State Handbooks are ready to be mailed and should be received soon after the beginning of July. The revisions are printed on pink paper so that you will know this is new information. The updates are in the standard manual revision format and will come with a sheet that says which pages to remove and where to insert new pages. If you do not receive the revisions by the end of July, please let me know. We can also provide you with additional State Handbooks if needed.

In case of layoffs, departments will need to key S30 separation transactions. If the employee wants a refund of retirement contributions, they request this via the separation EAR. Normally, the S30 separation coupled with the EAR transaction entered appropriately triggers a retirement refund. However, due to a system limitation at CalPERS, the system may not recognize this request. In the interim, you can contact Cheryl Salvador at (916) 341-2918. Cheryl will ensure that the refund is generated through the CalPERS system. CalPERS anticipates the system will be fixed sometime in late July 2003 to correct this problem.

Leonard Squires, Supervisor Civil Service Benefits Unit, PPSD discussed the importance of using the Civil Service Benefit Cutoff Calendar and also responded to various questions. The Benefit Cutoff Calendar is accessible on the SCO web site at: www.sco.ca.gov/ppsd/bencal/index.shtml. Copies of the calendar were distributed to the attendees and Leonard addressed what each

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entry means to the departments. There is very important information on these calendars about when a transaction actually must be keyed or documents received in our office in order to have the deduction reflected on the current month master or have the adjustments apply to a specific month. Also, since February and November are short months, it's critical that the calendars are used to avoid missing these early cut-off dates. If you have any questions or suggestions on the Benefit Calendar, please call Leonard Squires at (916) 322-8120 or Carol Neely at (916) 322-5883.

Question: We continue to have problems with being unable to key PARs by the cutoff dates and this sometimes means that an employee does not have the correct eligibility for benefits by master. This can have negative impact on the employee if they would have been eligible for CoBen had the PAR been keyed timely. How can this be resolved?

Answer: These type of eligibility issues need to be directed to DPA. If DPA denies the retroactive eligibility date, the only recourse for the employee is to use the government claims process.

SCO Update:

Suspended Payments/Transactions: We plan on making the monthly Suspended Payment/Transaction reports available on ViewDirect. Prior to this, we would like to delete any suspended payments older than one year since some payments have been suspended since 1999. The majority of attendees surveyed agreed with this suggestion; yet, some attendees felt SCO needed concurrence from the Transaction Supervisor Forum. As such, this was addressed at the Supervisory Forum on June 19, 2003. The supervisors requested that departments receive one final list (paper or ViewDirect) and some lead time prior to SCO deleting the suspended payments. We will continue to keep you apprised of the status of this task. If you have any questions or thoughts on this task, please contact Ann Mitchell at (916) 322-7978 or email anmitchell@sco.ca.gov.

Federal Tax Withholding Rate Change: The rate change for the percentage method of withholding and the supplemental/flat tax method of withholding changed effective June 3, 2003. The supplemental/flat withholding rate was decreased to 25%. See Payroll Letter #03-008 for further information.

Standard State Forms: Please be sure that if you are creating documents in your office to replace standard state forms, they are approved by the Department of General Services (DGS) prior to their use. If you send us a document that has not been approved by DGS, we will return it. Most of the standard forms we use are available in fill and print format on the DGS web site at: www.osp.dgs.ca.gov/StandardForms/Default.htm. We see a lot of STD. 674 and STD 671 documents that have been created by the departments without the appropriate approval.

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PIP change: The PIP change to lock the agency/reporting unit field on the PIP system has been completed and the payroll letter will be coming out very soon.

A/R half slips: The change that was made at Disbursements to only send one copy of the AR half slips has been reversed and you should now be receiving both copies again. Let us know if this happens again and we will look into it immediately.

California Personnel Office Directory (CPOD): We ask that everyone take the time to update this directory if you have had changes in your office. We use this directory frequently to contact you regarding your documents, and we are sure that it is very helpful to all of you as well. If you are unfamiliar with this tool it is located at: <http://www.sco.ca.gov/ppsd/cpod/cpod.pdf>

Employee Time Certification: Please remember that if you are keying a 966 transaction to release additional pay for an employee (in the same position) you must certify the total time to be paid not just the additional time.

NOPA Corrects: A suggestion was made to stop sending NOPA's if the change or correct does not have any effect on the employee. Although the suggestion would save paper, mailing and distribution costs, it is not a change we can pursue at this time due to limited analytical and programming resources and other priority tasks. If not already being done, the department does not need to give the NOPA to the employee if the NOPA is a result of a correction or void that does not produce any visible changes from the original NOPA (see PAM page 7.2-7.3). This would eliminate and or minimize employee confusion and save you some explanation time.

Separation Pay: We receive an AB2410 separation listing each cycle that identifies the requested time, time paid and any outstanding pay due. Although we work these listings daily, we are unable to issue certain payments if the PAR is incorrect. If you know that pay did not issue, please verify your PAR, and if necessary, call the Payroll Telephone Liaison Unit.

Military Pay: Remember that S51 transactions are effective COB. We have about 400 on-going military cases. Once you have submitted a 674 with the military worksheet attached, you do not need to submit anything again unless there is a pay rate, status or benefit change to report, until the employee returns from the military assignment. We try to issue pay in the last couple cycles each month. The only time we do not do this is December, so that we don't have 13 months of pay in one tax year. If the employee is due shift, or premium pay, do not wait until the employee returns to request these payments. Submit these requests now, rather than requesting these payments in the reconciliation process.

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QUESTIONS/ANSWERS:

Question: If the Separation PAR is keyed after cutoff, do we need to mark immediate pay to get the Lump Sum to issue? Is there a time of the month that you must complete this field?

Answer: Even if the regular pay is correct it is still a good idea to mark immediate pay, then if we know lump sum is due, we will see immediate pay and know that the regular pay is correct and issue the lump sum.

Question: When will the Schedule 8 be run?

Answer: Schedule 8 was run on July 7th and our tentative target date to release it is July 18th.

Question: We ran a report and found an employee that had been in the wrong retirement ID for a long time (since 1985). This employee had not paid SS or Medicare during that period, and Cheryl Salvador @ CalPERS was very helpful in assisting us in correcting the employee's records. I would like to ask that SCO run a quarterly report to see that these are caught in a more timely manner.

Answer: We will look at the feasibility of developing a comparison report.

Question: Is there a way to pay an employee while the employee is off payroll status due to FMLA? I have on-going problems with employees who do not have any leave credits and request 12 weeks of FMLA. As they have time donated to their Catastrophic Leave banks, I am currently processing S50/A03 to issue the time as it comes in. Is there another way to issue these payments without having to process PARs?

Answer: Some attendees indicated that they resolve these situations by not taking the employee off payroll and using dock and 715 transactions rather than the S50/A03. If the employee has enough time to qualify the pay period, you can process a 715 transaction to show the pay period as qualified.

Question: When will the PARs go out reflecting the retirement changes effective July 1?

Answer: The PARs should be mailed out by mid-July.

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Question: How can I get pay for my managers who have CTO time off the books?

Answer: You must go to DPA for approval to pay these employees if they are in a Work Week Group that is not allowed to accrue overtime.

Question: Are you seeing an increase in retroactive salary increases for CEA employees? Are you more than 2 weeks backlogged in processing these adjustments?

Answer: We do not have any information that there has been an increase in retroactive adjustments for CEA employees. We are currently about 2 weeks behind in processing our Employment History messages. We are shifting staff resources to try to bring this workload back into a more reasonable timeframe. If there is something that you really cannot wait to have processed in date order, call Pam Keegan at (916) 323-2539.

Question. Have any agencies actually sent out lay off notices?

Answer: One attendee indicated that they sent them to all employees with 44 months state service or less, others said they had sent notices or were ready to send notices out.

Closing:

The meeting was adjourned at 3:15 PM.
The PPRC encourages attendance by department representatives interested in improving the efficiency of personnel/payroll administration. However, if you are unable to attend these meetings and you have an issue or question you would like the committee to address, please contact Don Ward with pertinent information.

Next Meeting:

The next meeting is Thursday, July 10, 2003 from 1:30 to 3:30 at:

State Controller's Office
300 Capitol Mall, 6th Floor, Room 635
Sacramento, CA 95814

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Listed below are the PPRC meeting dates for the 2003 calendar year. All meetings are from 1:30 to 3:30 at the above location:

August 14, 2003
September 11, 2003
October 9, 2003
November 13, 2003
December 11, 2003

Should you have any questions regarding the PPRC meetings or have additional input, please contact Don Ward at (916) 322-8805 or via email at dward@sco.ca.gov.